

DW 01-030

BODWELL WASTE SERVICES CORPORATION

Petition for Rate Increase

Order Following Pre-Hearing Conference

O R D E R N O. 23,709

May 21, 2001

APPEARANCES: Stephen P. St.Cyr for Bodwell Waste Services Corporation; Alderman Real R. Pinard, *pro se*; Michael H. Cunney, *pro se*; Richard Helie, *pro se*; and Donald M. Kreis, Esq. for the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

On February 9, 2001, Bodwell Waste Services Corporation (Bodwell) notified the New Hampshire Public Utilities Commission (Commission) of its intent to file a request for a general rate increase. Bodwell followed up by filing, on April 5, 2001, proposed rate schedules and supporting documentation which, if approved, would result in a permanent rate increase of approximately 43 percent and an increase in Bodwell's annual revenue from \$65,085 to \$93,256.

Bodwell is a sewer utility serving 417 customers in adjoining areas of Manchester and Londonderry. Under the Company's proposal, each customer's annual rate would increase from \$154.88 to \$223.64. Bodwell has not requested a temporary rate increase.

By Order No. 23,678 (April 13, 2001), the Commission suspended the proposed rate schedules pending a full investigation of the proposed increase. Accordingly, the Commission scheduled a pre-hearing conference for May 10, 2001 and directed that petitions to intervene be filed on or before May 7, 2001.

The Commission did not receive any timely filed intervention petitions. The Pre-Hearing Conference took place as scheduled; at the hearing, the Commission received written intervention petitions from Hon. Real R. Pinard, a City of Manchester Alderman whose ward includes part of Bodwell's service territory, Michael H. Cunney, Richard Helie and Kevin McGauley. Messrs. Cunney, Helie and McGauley all averred that they are Bodwell customers.

At the Pre-Hearing Conference, the Commission took up the intervention petitions and heard preliminary statements of the parties' positions. Thereafter, the parties and Commission Staff met for a technical session at which they agreed upon a proposed procedural schedule to govern the remainder of the proceeding.

II. INTERVENTION PETITIONS

There were no objections to the intervention petitions submitted at the Pre-Hearing Conference by Alderman

Pinard and Messrs. Cunney, Helie and McGauley. Accordingly, the Commission granted the petitions.

II. PRELIMINARY POSITIONS OF THE PARTIES AND STAFF

A. Bodwell Waste Services Corporation

Bodwell explained that its principal goal in this rate proceeding is to enable the Company to service two outstanding loans provided by its sole shareholder, subdivision developer Robert LaMontagne. According to Bodwell, it has not been able to do so because, at first, the buildout of the subdivisions in question was such that not enough customers had begun taking service and, subsequently, the depreciation of the company's plant reduced the relevant revenue requirement.

Bodwell noted that it had recently obtained permission from the Commission to expand its franchise territory into Londonderry. According to Bodwell, it is not seeking a rate increase to cover any expenses associated with that expansion - a commitment Bodwell made in the franchise expansion proceedings. Rather, according to Bodwell, the rate increase is designed in part to cover the additions to plant resulting from the addition of a new pump station and mains at the Mill Pond subdivision in Manchester and the state-mandated replacement of a portion of main on Bodwell Road in

Manchester.

Bodwell acknowledged that the Bodwell Road project was funded by a loan from Mr. LaMontagne for which the Company has not previously sought Commission approval. According to the pre-filed testimony of Stephen P. St.Cyr, "it did not make sense to seek approval of the financing without taking into consideration the other debt obligations. The Company believes that it is best addressed in the context of this rate proceeding."

B. Hon Real R. Pinard, Michael H. Cunney, Richard Helie and Kevin McGauley

Mr. Cunney addressed the Commission, indicating that he would be speaking on behalf of the other intervenors. Mr. Cunney indicated that many of Bodwell's ratepayers are concerned about the size of the proposed rate increase and were surprised to learn that Bodwell had found it necessary to add to its plant-in-service. According to Mr. Cunney, the intervenors and other Bodwell ratepayers would like an opportunity to review the rate filing in detail and to bring concerns to the attention of the Commission. Mr. Cunney indicated that the intervenors wish to verify that Bodwell is not seeking to recover in rates any expenses associated with the expansion into Londonderry.

C. Staff

Staff indicated that it shared Mr. Cunney's concern about assuring that no Londonderry-related expansion expenses are reflected in the instant rate filing. Staff indicated an intention to scrutinize the Company's schedules and testimony carefully.

III. PROCEDURAL SCHEDULE

At their technical session, the parties and Staff agreed upon the following proposed procedural schedule:

Data Requests to Company, First Set	May 31, 2001
Data Responses from Company	June 7, 2001
Data Requests to Company, Second Set	June 21, 2001
Data Responses from Company	June 28, 2001
Public Hearing in Manchester	July 11, 2001
Staff/Intervenor Pre-Filed Testimony	July 26, 2001
Data Requests to Staff and Intervenors	August 2, 2001
Data Responses from Staff and Intervenors	August 16, 2001
Settlement Conference	August 23, 2001
Deadline for Filing Settlement Agreement	September 6, 2001
Merits Hearing	September 10-11, 2001

It was proposed to conduct the July 11 public hearing at 7:00 p.m. at the McLaughlin Middle School on South Mammoth Road in

Manchester.

IV. COMMISSION ANALYSIS

We have reviewed the proposed procedural schedule and find it to be consistent with the public good. We will therefore approve it to govern the remainder of the proceedings in this docket. We are particularly pleased to have the opportunity to conduct an evening hearing on July 11 in Manchester to hear the concerns of Bodwell's ratepayers, as we are aware that some Bodwell customers wish to make their views known to the Commission but are unable to journey to Concord during the work day for that purpose.

Based upon the foregoing, it is hereby

ORDERED, that the procedural schedule proposed by the Staff and parties and outline above is approved.

By order of the Public Utilities Commission of New Hampshire this twenty-first day of May, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary